



Volume 1, Issue 2

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## Your Savings Program

### Let's Talk Some More About Savings Plan Fees

Last issue, we visited the question of fees and the Savings Program. Since that article, the Pension Welfare Benefit Association, has published a booklet, "A Look at 401(k) Fees." The booklet may be found at <http://www.dol.gov/dol/pwba/public/pubs/401kfe~1.htm>. The booklet includes a checklist to be used by participants to review their 401(k) fees. We have prepared a response to the questions in the checklist.

*(Continued on page 2)*



Savings Power-A Key to Financial Security

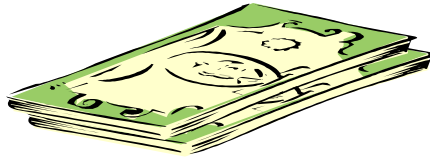
### If You Have Invested in Martin Marietta Materials Stock, You Need to Make a Decision!

As announced when the tender offer was processed, the Martin Marietta Materials, Inc. Stock Fund is scheduled to be liquidated as of October 31, 1998. It will be necessary for you to transfer your investment funds or withdraw the funds in this investment prior to October 31st. Please review your Employee Handbook or talk to a Customer Service Representative to determine if you

are eligible to make a withdrawal from your account. Once you have made your decision, call State Street Bank at 1-888-ISAIVEIT (1-888-472-8348) and provide your instructions. This transaction must be processed prior to October 31, 1998. If you do not make an election, the balance of your funds in the Martin Marietta Materials Stock Fund will be liquidated and the funds re-invested in the Stable Value Fund.



# More Information? Call 1-888-ISAIVEIT



## ***401(k) fees checklist for employees***

Responses by Benefits Administration

### ***1. What investment options are offered under your company's 401 (k) plan?***

The Savings Program offers the following Investment Options:

Stable Value Fund  
 Intermediate Term Bond Fund  
 Long Term Bond Fund  
 American Balanced Fund  
 Indexed Equity Fund  
 Investment Company of America Fund  
 Vanguard Windsor Fund  
 Growth Fund of America  
 New Perspectives Fund  
 Lockheed Martin Corporation Stock Fund



### ***2. Do you have all available documentation about the investment choices under your plan and the fees charged to your plan?***

Documentation is available from State Street Bank in the form of prospectuses for the publicly traded funds and a fund fact sheet for the non-publicly traded funds. Call the 1-888-ISA VEIT number to request a current copy of the prospectus or the fund fact sheet.

### ***3. What types of investment education are available under your plan?***

Participants may take advantage of any of the following:



Benefits Administration offers two Savings Program Courses

“An Introduction to the Savings Program”

“Selecting Investments for Your Savings Program”

These courses are taught after normal work hours in an auditorium setting and are available to all plan participants and their spouses. The course schedule is maintained by the Finance College.

These courses are also included on the Internet and Intranet as part of the Savings Plan Section of the Benefits Administration Home Page on the ORNL internal and public servers.

A wide variety of Savings Program and Personal Financial Planning literature, articles and software is available in the public libraries and on the Internet. The Savings Plan Section of the Benefits Administration Home Page also includes a quarterly newsletter, an annual review of the Program and monthly, quarterly, year-to-date and since inception recaps of performance by fund. The page also includes a full replication of the Employee and Retiree Handbooks.

***4. What arrangement is used to provide services under your plan (i.e., are any or all of the services or investment alternatives provided by a single provider)?***

Record keeping (to include transaction processing by the Voice Response Unit or Customer Service Representatives, participant valuation and record maintenance and participant reporting) and trustee services are provided by State Street Bank and Trust Company of Boston, MA. Investment Management Services are provided by State Street Global Advisors for the Indexed Equity and Stable Value Funds, The Vanguard Company for the Vanguard Windsor Fund, Standish, Ayer & Woods for the Bond Funds and Capital Guardian for the American Funds (Growth Fund of America, Investment Company of America, Balance Fund and the New Perspectives Fund.)

***5. Do you and other participants use most or all of the optional services offered under your 401 (k) plan, such as participant loan programs and insurance coverages?***

All of the services are available to all of the participants.

***6. If administrative services are paid separately from investment management fees, are they paid for by the plan, your employer or are they shared?***



Administrative services are paid by each plan participant by way of an .08% charge computed on the market value of the participants' accounts. The administrative services fee and the investment management fees are computed and charged to the accounts on a daily basis as part of the account valuation process. The earnings of each fund each day are recorded net of the administrative and investment management fees. A one-time loan processing fee is paid to State Street Bank and Trust.

**7. Are the investment options tracking an established market index or is there a higher level of investment management services being provided?**

The Stable Value, American Balanced Fund, The Growth Fund of America, The Investment Company of American, Vanguard Windsor, New Perspectives Fund and to a certain extent, the Intermediate and Long Term Bond Funds are actively managed and require a higher level of investment management services. The Indexed Equity Fund and the Lockheed Martin Corporation Stock Fund are passively managed and require a lower level of investment management service.

**8. Do any of the investment options under your plan include sales charges (such as loads or commissions)?**

There are no sales charges including load charges or commissions on any transaction.

**9. Do any of the investment options under your plan include any fees related to specific investments, such as 12b-1 fees, insurance charges or surrender fees, and what do they cover?**

The American Funds (Growth Fund of America, Investment Company of America, New Perspectives Fund and Balanced Fund) include a 12b-1 component in the investment management fee charge. The 12b-1 fee is remitted to State Street Bank and Trust Company. The administrative fee charged by State Street Bank is impacted by the anticipated rebate of 12b-1 fees. In the event that the actual rebate of fees is greater than anticipated, the administrative fee will be reduced.



You finish first with a solid personal financial plan